

11-O-0944

**A SUBSTITUTE ORDINANCE AND CHARTER AMENDMENT
BY COUNCILMEMBER YOLANDA ADREAN**

AN ORDINANCE TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), TO CREATE NEW SECTIONS 6-313 AND 6-314 SO AS TO REQUIRE THAT AN ACTUARIAL AUDIT AND EXPERIENCE STUDY BE CONDUCTED FOR THE CITY OF ATLANTA'S GENERAL EMPLOYEE PENSION FUND, FIREFIGHTER PENSION FUND AND POLICE PENSION FUND; AND FOR OTHER PURPOSES.

WHEREAS, an actuarial audit focuses exclusively on the liability estimate and contribution requirement of a pension fund, verifies the accuracy of a plan's actuarial liability amount, and reviews audit participant data and reconciliations; and

WHEREAS, an experience study is commonly conducted to measure pension plan liabilities by comparing actual plan experience for the designated study period with that predicted by the current assumptions used in the actuarial valuation process. The study measures experience for all economic and non-economic assumptions used in the annual actuarial valuation, including rate of investment return, inflation, and mortality, makes recommendations for changes where appropriate, and determines the impact of the recommended changes on a plan's Other Post-Employment Benefits (OPEB) funding; and

WHEREAS, the Actuarial Standards Board and the Government Accounting Standards Board ("GASB") each recommend that an actuarial audit and an experience study be conducted on a regular basis for municipal pension plans; and

WHEREAS, in the past several years, the City of Atlanta (the "City") has not itself nor on its behalf conducted actuarial audits or experience studies of the City's three pension funds; and

WHEREAS, based on recommendations of the Actuarial Standards of Practice and GASB and a review of the City's current audit process, it is in the best interest of the City to conduct actuarial audits and experience studies of each of the City's three pension funds on a regular basis.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1: That Article VI (Revenue and Fund Administration), Chapter 3 (Fiscal Control), of the Atlanta Charter, be amended by adding a new section 6-313 to read as follows:

Sec. 6-313. Pension Actuarial Audit

That every five years or at such regular intervals as determined by City Council, a licensed auditor be engaged by the City to conduct an actuarial audit of the City's General Employee Pension Fund, Firefighter Pension Fund, and Police Pension Fund with the costs of such audits to be paid by the corresponding pension fund. Upon completion of each such audit, the findings are to be presented to the Finance/Executive Committee of City Council for review. In addition to the regularly scheduled actuarial audits, an actuarial audit shall be conducted prior to the enactment of any pension modifications.

SECTION 2: That Article VI (Revenue and Fund Administration), Chapter 3 (Fiscal Control), of the Atlanta Charter, be amended by adding a new section 6-314 to read as follows:

Sec. 6-314. Pension Experience Study

That every five years or at such regular intervals as determined by City Council, a licensed actuary be engaged by the City to conduct an actuarial experience review of the City's General Employee Pension Fund, Firefighter Pension Fund, and Police Pension Fund with the costs of such study to be paid by the corresponding pension fund. Upon completion of each such study, the findings are to be presented to the Finance/Executive Committee of City Council for review. Immediately after the presentation of findings, the Finance/Executive Committee of City Council shall perform an analysis of the goals and structure of the City's entire retirement plan.

SECTION 3: That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

Exhibit "A"

**NOTICE OF PROPOSED AMENDMENT
TO THE CHARTER OF THE CITY OF ATLANTA**

Notice is hereby given that an Ordinance has been introduced to amend the Charter of the City of Atlanta (Ga. Laws, 1996, p. 4469, et seq.) approved April 15, 1996, as amended, said Ordinance being captioned as follows:

AN ORDINANCE TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), TO CREATE NEW SECTIONS 6-313 AND 6-314 SO AS TO REQUIRE THAT AN ACTUARIAL AUDIT AND EXPERIENCE STUDY BE CONDUCTED FOR THE CITY OF ATLANTA'S GENERAL EMPLOYEE PENSION FUND, FIREFIGHTER PENSION FUND AND POLICE PENSION FUND; AND FOR OTHER PURPOSES.

A copy of the proposed Ordinance and Charter Amendment is on file in the Office of the Municipal Clerk of the City of Atlanta and in the Offices of the clerks of the Superior Courts of Fulton and DeKalb Counties, Georgia for the purpose of examination and inspection by the public.

This _____ day of _____, 2011.

Rhonda Dauphin Johnson
Municipal Clerk
City of Atlanta

11-O-0944

AN ORDINANCE AND CHARTER AMENDMENT

BY: COUNCILMEMBERS YOLANDA ADREAN, FELICIA A. MOORE, H. LAMAR WILLIS, KEISHA LANCE BOTTOMS, IVORY LEE YOUNG, JR., HOWARD SHOOK, C.T. MARTIN, JOYCE SHEPERD, AARON WATSON, ALEX WAN AND MICHAEL JULIAN BOND

AS SUBSTITUTED

BY: FULL COUNCIL 06/20/2011

AN ORDINANCE TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE VI (REVENUE AND FUND ADMINISTRATION), CHAPTER 3 (FISCAL CONTROL), TO CREATE NEW SECTIONS 6-313 AND 6-314 SO AS TO REQUIRE THAT AN ACTUARIAL AUDIT AND EXPERIENCE STUDY BE CONDUCTED FOR THE CITY OF ATLANTA'S GENERAL EMPLOYEE PENSION FUND, FIREFIGHTER PENSION FUND AND POLICE PENSION FUND; AND FOR OTHER PURPOSES.

WHEREAS, an actuarial audit focuses exclusively on the liability estimate and contribution requirement of a pension fund, verifies the accuracy of a plan's actuarial liability amount, and reviews audit participant data and reconciliations; and

WHEREAS, an experience study is commonly conducted to measure pension plan liabilities by comparing actual plan experience for the designated study period with that predicted by the current assumptions used in the actuarial valuation process. The study measures experience for all economic and non-economic assumptions used in the annual actuarial valuation, including rate of investment return, inflation, and mortality, makes recommendations for changes where appropriate, and determines the impact of the recommended changes on a plan's Other Post-Employment Benefits (OPEB) funding; and

WHEREAS, the Actuarial Standards Board and the Government Accounting Standards Board ("GASB") each recommend that an actuarial audit and an experience study be conducted on a regular basis for municipal pension plans; and

WHEREAS, in the past several years, the City of Atlanta (the "City") has not itself nor on its behalf conducted actuarial audits or experience studies of the City's three pension funds; and

WHEREAS, based on recommendations of the Actuarial Standards of Practice and GASB and a review of the City's current audit process, it is in the best interest of the City to conduct actuarial audits and experience studies of each of the City's three pension funds on a regular basis.

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Sec. 6-313. Pension Actuarial Audit

That every five years or at such regular intervals as determined by City Council, an independent licensed actuary be engaged by the City of Atlanta Audit Committee to conduct an actuarial audit of the City's General Employee Pension Fund, Firefighter Pension Fund, and Police Pension Fund with the costs of such audits to be paid by the corresponding pension fund. Upon completion of each such audit, the findings are to be presented to the Finance/Executive Committee of City Council for review.

SECTION 2: That Article VI (Revenue and Fund Administration), Chapter 3 (Fiscal Control), of the Atlanta Charter, be amended by adding a new section 6-314 to read as follows:

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SECTION 3: That funding for the Audit be derived from the General Fund, Aviation Enterprise Fund and Watershed Management Enterprise Fund proportionately.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

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This _____ day of _____, 2011.

Rhonda Dauphin Johnson
Municipal Clerk
City of Atlanta

RCS# 1128
6/20/11
5:17 PM

Atlanta City Council

REGULAR SESSION

11-O-0944 AMEND PART I ART.VI, CHAP.3 SEC 6-313
 AND 6-314
 ADOPT/REFER

YEAS: 14
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 0
ABSENT 1

Y Smith	Y Archibong	Y Moore	Y Bond
Y Hall	Y Wan	Y Martin	Y Watson
Y Young	B Shook	Y Bottoms	Y Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

11-O-0944

Gene M. Shepard *Mark D. [unclear]*
Pat *Al SW* *Adrian* **11-Q-0944**
Bottom *Chun Lee Young* *Felicia A. Moore* *H. J. [unclear]*
Hand Shook

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CONDITION FOR APPROVAL FORM
(TO ACCOMPANY LEGISLATION)

COMMITTEE: Finance/Economic

DATE: 6/15/11

ORDINANCE # 11-0-0944 RESOLUTION # _____

REQUESTED BY: Committee

DIRECTED TO: Auditor

NATURE OF CONDITION FOR APPROVAL:

Provide source of funding

WHEN IS THIS INFORMATION DUE, AND TO WHOM?

by Council Meeting 6/20/11

WILL THIS RESULT IN AN AMENDMENT TO THE LEGISLATION?

YES () NO ()

WILL THIS RESULT IN A SUBSTITUTE TO THE LEGISLATION?

YES () NO ()

HAS THIS INFORMATION BEEN RECEIVED? YES () NO ()

DATE OF RECEIPT: _____

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